

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority and Minority Staff

Date: June 22, 2016

Subject: June 23, 2016, Task Force to Investigate Terror Financing hearing entitled “The Next Terrorist Financiers: Stopping Them Before They Start”

The Task Force to Investigate Terrorism Financing will hold a hearing entitled “The Next Terrorist Financiers: Stopping Them Before They Start” on Thursday, June 23, 2016, at 10:00 a.m. in Room 2128 of the Rayburn House Office Building. This will be a one-panel hearing with the following witnesses:

- Mr. Juan C. Zarate, Chairman and Senior Counselor, Center on Sanctions and Illicit Finance at the Foundation for Defense of Democracies; and Senior Adviser, Center for Strategic and International Studies
- The Honorable Jimmy Gurulé, Law Professor, Notre Dame Law School
- Mr. John Cassara, former U.S. Intelligence Officer and Treasury Special Agent
- Professor Celina B. Realuyo, Professor of Practice, William J. Perry Center for Hemispheric Defense Studies, National Defense University
- Mr. Douglas Farah, President, IBI Consultants LLC; Senior Non-Resident Associate, Americas Program, Center for Strategic and International Studies and Senior Fellow, International Assessment and Strategy Center

Introduction

This memorandum provides summaries of ten hearings, in reverse chronological order, held by the House Financial Services Committee's Task Force to Investigate Terrorism Financing over a two-year period. It is intended to support a final summation hearing of the Task Force, which will be held June 23, 2016.¹

June 8, 2016: "The Enemy in Our Backyard: Examining Terror Funding Streams from South America"

Overview. At this hearing, the Task Force reviewed how terrorist organizations fund their operations in Latin and South America, and the impact of anonymous offshore companies on anti-money laundering/countering the financing of terrorism (AML/CFT) efforts. The Task Force heard from three witnesses: (1) Mariano Federici, President of Argentina's Financial Intelligence Unit; (2) Michael Braun, Managing Partner of SGI Global LLC; and (3) Emanuele Ottolenghi, Fellow at the Center on Sanctions and Illicit Finance at the Foundation for Defense of Democracies.

Witness Testimony. Federici described how low morale, scarce funding, and lack of strategic vision have plagued Argentina's law enforcement, judiciary, and regulatory bodies, resulting in a system of generalized corruption. He lamented his country's historic lack of political will to advance financial integrity issues, based on a mistakenly low estimate of the threat posed by terrorism financing to the country, but he noted that a new President and administration of which he is a part have set a new course and are determined to reshape anti-terror finance efforts. In conclusion, Federici launched an appeal to the United States to continue providing diplomatic, technical and material support to Argentina's new government to help set them firmly on a path of continued improvement in AML/CFT.

Braun stressed the unique nature of Hezbollah's AML efforts. He described in detail the organization's role in the trafficking of cocaine out of the area connecting Argentina, Brazil and Paraguay (also known as the Tri-Border Area, or TBA) directed towards Europe, as well as Hezbollah's unparalleled capacity to move currency around the world. He offered his opinion that the United States has been focusing too much on the dictum "follow the money" and too little on the supply side of the terrorist organization's business model – i.e. addressing how terrorist organizations are generating revenue in the first place. In conclusion, Braun suggested refocusing U.S. AML/CFT efforts toward disrupting Hezbollah's supply chain: the virtually unopposed drug trafficking operation it is conducting in South America. To that end, Braun proposed a massive employment of intelligence and surveillance assets provided by the U.S. Department of Defense as well as joint kinetic operations by U.S. military forces and the Drug Enforcement Agency.

Ottolenghi testified that his research indicates the presence of a high degree of cooperation in Latin America between drug traffickers and terrorist groups. He further stressed that Hezbollah has been devoting considerable resources to establish a solid, reliable and permanent network of

¹ This memorandum was prepared by the Congressional Research Service (CRS) at the Task Force's request, and has been reviewed and approved by staff of the Financial Services Committee.

contacts, charitable organizations and cells exploiting the Lebanese diaspora communities in the southern western hemisphere with the aim of ensuring a continuous stream of funding and a springboard for asymmetric conflict against the U.S. and its interests in the region. He offered the example of the trade-based money laundering (TBML) case recently uncovered in Ciudad del Este, Paraguay and highlighted that the AML scheme involved shipments of goods to Miami and, via Dakar, to Dubai. According to Ottolenghi, this case highlights the shortcomings plaguing the ability of U.S. authorities to tackle trade-based ploys. He strongly advocated for the enforcement of stricter border controls over merchandise originating from, transiting through or destined to at-risk jurisdictions. In his opinion, if those stricter regulations cannot be enforced in the U.S., the government should exert its influence to strengthen controls over weak access points to the global financial system.

Questions and Discussion. Task Force Members raised questions regarding the perceived low priority attributed to fighting domestic terrorism financing issues in Latin American countries, and options available to counter that perception. Other members solicited the witnesses' opinions on the United State's performance to date in keeping pace with the evolution of terrorist and criminal organizations, on the efficiency of continuing to operate principally via the network of Financial Investigative Units (FIUs) and the Financial Action Task Force (FATF), and on Argentina's progress in reforming its own FIU. Additional questions focused on the issue of beneficial ownership, on the policies implemented to date to improve law enforcement and judiciary presence in ungoverned areas such as the TBA, and whether Iran's influence in Latin America has been growing.

May 24, 2016: "Stopping Terror Finance: A Coordinated Government Effort"

Overview. This hearing reviewed the actions and policies carried out by two entities within the U.S. Department of the Treasury (Treasury) to combat terrorism financing: the Financial Crimes Enforcement Network (FinCEN) and the Office of Technical Assistance (OTA). The hearing provided a snapshot into the current state of, and the emerging challenges associated with, AML/CFT. It also highlighted coordination efforts among various federal agencies involved in AML/CFT efforts. The Task Force heard from two witnesses: FinCEN Director Jennifer Shasky Calvery; and Deputy Assistant Secretary Larry McDonald.

Witness Testimony. Shasky Calvery, whose resignation as FinCEN Director became effective three days after the hearing, stressed the necessity of a proper legal and regulatory framework, the increased need of funding for FinCEN, and the importance of information sharing with domestic and foreign counterparts, as well as enlisting the support and active participation of the industry and private sector. She also highlighted the difficulty of balancing the transparency required to acquire and share data with the protection of sensitive corporate and individual data. Shasky Calvery mentioned the major proposals recently put forward by FinCEN regarding increased Customer Due Diligence (CDD) regulations, transparency in beneficial ownership provisions, and extended authority for Geographical Targeting Orders (GTOs). She stressed that the focus of FinCEN has been on the intermediaries that help launder the money (the "gatekeepers" or professional enablers). Shasky Calvery concluded by mentioning the potential risks posed in the cyber realm and new technologies that continue to be exploited by bad actors in the absence of a prompt regulatory response from government.

McDonald described the work that OTA performs in AML/CFT technical assistance. Specifically, he noted that OTA assists foreign FIUs in strengthening their AML/CFT efforts to reach FATF standards. He stressed the importance of providing assistance only to those countries that show serious interest in making reforms, which he defined as “demand driven assistance,” not duplicating assistance efforts offered by other parties, and focusing on areas of proven excellence of the agency. McDonald highlighted the difficulties faced by foreign counterparts who are not fully committed to implementing and enforcing the proposed technical solutions and who nullify training by inappropriately reassigning specifically trained personnel.

Questions and Discussion. Task Force Members raised questions regarding the absence of a national AML/CFT strategy – similar to the national drug control strategy - and whether more Treasury personnel should be attached to embassies abroad. Questions were also raised concerning how exactly FinCEN plans on adapting to new technologies, what role the National Security Council plays in prioritizing and directing interagency efforts, the limits of GTOs, and what could be done to increase the effectiveness of these instruments. Finally, the repercussions of “de-risking” were also discussed. “De-risking” occurs when financial institutions terminate or restrict business relationships with categories of customers. For example, many financial institutions have made a business decision to terminate correspondent banking relationships in Somalia. While mitigating the financial institution’s financial exposure, some Members said such actions can be devastating to an underserved community and suggested that issues related to de-risking merited further examination.

April 19, 2016: “Preventing Cultural Genocide: Countering the Plunder and Sale of Priceless Cultural Antiquities by ISIS”

Overview. The Task Force reviewed the current state and emerging challenges of the exploitation of art and antiquities from Syria and Iraq for terrorism financing. The Task Force heard from five witnesses: (1) Robert M. Edsel, Chairman of the Board of the Monument Men Foundation; (2) Yaya J. Fanusie, Director of Analysis at the Center on Sanctions and Illicit Finance of the Foundation for Defense of Democracies; (3) Patty Gerstenblith, Professor at the DePaul University College of Law; (4) Amr Al-Azm, Associate Professor at Shawnee State University; and (5) Lawrence Shindell, Chairman of ARIS Title Insurance Corporation.

Witness Testimony. Edsel stressed that the lack of regulation and transparency in the art industry, compared to other sectors, offers an opportunity to both terrorists and criminals. Fanusie advocated four measures to be implemented: (1) establishing a targeted sanction regime for artifact smugglers and dealers; (2) making antiquities looting an intelligence and law enforcement priority; (3) providing specific training on these issues to the intelligence community and Special Operation Forces; and (4) expanding registries of art and antiquities. Gerstenblith suggested four measures as well: (1) imposing import restrictions on cultural materials illegally removed from countries at risk; (2) strengthening customs enforcement of existing laws; (3) shifting away from forfeiture and repatriation and toward criminal prosecutions; and (4) fostering greater transparency and accountability in the market by requiring documentation of arts and antiquities ownership. Finally, Gerstenblith pointed out that measures should not only be reactive, but also proactive – specifically mentioning Libya as the probable next target of illicit trafficking of cultural materials. Al-Azm pointed out that while ISIS was not the first to loot, smuggle and destroy arts and antiquities, it has institutionalized and intensified

the practice. He stated that ISIS sells what it can and destroys what it can't or is too difficult to move, and that official regime forces have also looted cultural artifacts – even though 70 percent of the Syrian territory now lies outside their control.

Shindell underlined the need of improved AML compliance provisions for art and cultural objects and reported that the adoption of emerging information-based technology solutions - such as the one offered by the Global Center of Innovation for i2M Standards - might increase transparency in global art and antiquities transactions. Additionally, Shindell pointed out that FinCEN and Treasury have a role to play in detecting and sharing anomalies in the flow of transactions originating within the art industry financial sector. To that end, Shindell proposed that FinCEN extend to art title insurance companies the provisions of the Bank Secrecy Act (BSA). Finally, Shindell noted that the main obstacles to overcome are the unregulated nature of the industry, the lack of record-keeping in the source and market nations (which obscures the origin, legal status and beneficial ownership of items sold), and the presence of freeports and tax free zones, that are used to store items for extended periods of time to mask their origin.

Questions and Discussion. Task Force Members questioned how looted material can appear to be legitimate because of the lack of mechanisms to prevent and detect forged documentation. The absence of a sanction regime targeting Syrian antiquities and criminal provisions for the smuggling of cultural material were also raised. Finally, some Task Force members discussed the necessity of improved information sharing and coordination between government agencies, with foreign partners, and with the private sector. Specifically, Members examined the idea of prescribing export declarations for art worth more than \$10,000, as well as an import tariff.

March 1, 2016: “Helping the Developing World Fight Terror Finance”

Overview. On March 1, 2016, the Task Force reviewed the effectiveness of U.S. technical assistance in developing countries to counter terrorism financing with the aim of determining what works, what doesn't, and what Congress can do to improve the situation. The Task Force heard from four witnesses: (1) Robert M. Kimmitt, Senior International Counsel at WilmerHale; (2) Clay Lowery, Vice President of Rock Creek Global Investors and Visiting Fellow at the Center for Global Development; (3) James W. Adams, former Vice President for East Asia and the Pacific Region at the World Bank; and (4) William F. Wechsler, Senior Fellow at the Center for American Progress.

Witness Testimony. Kimmitt pointed out that facing the threat posed by terrorism financing requires smart, creative and adaptable solutions, as well as a “whole-of-governments” approach involving the international community (including competitors like China and Russia) and the private sector. Effective responses, Kimmitt pointed out, must not be “one size fits all,” but should instead be country-specific. He pointed out that United Nations Security Council resolutions should be the preferred framework for joint action and coordination, and that, when such a framework is not possible, the United States should resort to bilateral agreements with individual partners, which would make U.S. assistance dependent on effective policing of their financial system.

Kimmitt stressed the importance of effective interagency processes involving the U.S. Departments of State, Treasury, Defense, Justice, and Homeland Security, under the supervision

of the National Security Council, and with the support of the intelligence community. He advocated for a wider use of Treasury liaison officers in embassies and military commands abroad, as well as Defense liaison officers within the Treasury. Finally, Kimmitt stressed the importance of avoiding regulatory action that produces unintended “de-risking” in post-conflict and developing countries.

Lowery elaborated on Kimmitt’s argument about the necessity of preventing “de-risking” in poor countries as it undermines the very objectives of AML/CFT policies. Lowery also pointed out that “de-risking” negatively affects remittance flows and correspondent banking relationships. Lowery suggested clarifying the intent and scope of the existing AML/CFT regulations and enforcement procedures and a concerted effort to lower the costs of compliance.

Adams conveyed his skepticism about the performance of technical assistance programs in developing countries. He pointed to both their limited scope (15 percent of total donor commitments) and unsatisfying track record. Adams stressed the unwillingness and incapability of some beneficiary countries to fully avail of the assistance received, as well as the lack of coordination and unrealistic expectations among international donors. To offset the above issues, Adams advocated three solutions: (1) a rigorous process of verification of the beneficiary country’s commitment to achieve self-sustainable, long-term capacity improvements; (2) the establishment of a priority framework of action among all participating donors and the clear definition of a country lead; and (3) the donor’s longer-term commitment to ensure obtaining that capacity (beyond the standard five-year period).

Wechsler offered four lessons: (1) in the absence of the host nation’s full and unconditional support and commitment, technical assistance is doomed to be ineffective; (2) a good technical assistance program is one that also tackles associated capabilities such as the judiciary and law enforcement; (3) a good program “targets narrowly and is executed broadly,” meaning that it should be focused on a small corps of professionals who can receive the proper training and assistance; and (4) the most successful assistance programs are those run by capable ambassadors assisted by committed country teams. In conclusion, Wechsler offered two recommendations: (1) to increase budget allocations and personnel assigned to technical assistance missions at the Departments of State and Treasury; and (2) to export abroad the U.S. format of a dedicated intelligence component within the financial ministry such is Treasury’s Office of Intelligence and Analysis.

Questions and Discussion. Questions were raised on the decision-making process that determines which embassy will have a Department of the Treasury attaché and why Treasury is not represented in each embassy. Questions were also raised about the reasons why the main interagency coordination body in the U.S. to fight the financing of terrorism, the Terrorist Financing Working Group, has not convened since July 2015. Task Force Members asked what incentives would compel host countries to commit to long term AML/CFT reforms and if enough priority is assigned to monitor and assist countries of origin of ISIS foreign fighters. Finally, questions were raised about the degree of cooperation in AML/CFT between the Departments of State and Treasury and the coordination provided by the National Security Council.

February 3, 2016: “Trading with the Enemy: Trade-Based Money Laundering is the Growth Industry in Terror Finance”

Overview. At this hearing, the Task Force reviewed trade-based financial crimes as a source of funding for terrorist organizations in order to pinpoint effective measures to counter them. The Task Force heard from four witnesses: (1) John Cassara, former intelligence officer and Treasury Special Agent; (2) Louis Bock, former Agent with the former United States Customs Service; (3) Farley Mesko, Co-Founder and Chief Executive Officer of Sayari Analytics; and (4) Nikos Passas, Professor of Criminology and Criminal Justice at Northeastern University.

Witness Testimony. Cassara reported that trade-based money laundering (TBML) is the least understood, largest, and most pervasive system used by criminals and terrorists to fund their operations, and estimated that between six and nine percent of U.S. trade annually might be affected by it. He stressed that the phenomenon affects every country but is especially acute in countries with weak economies, high corruption and limited rule of law. Cassara stated that the current countermeasures to chart and regulate unofficial, informal, and alternative remittance systems – such as Hawala and fei-chien – are ineffective, and stressed the need of increased international trade transparency. Cassara added that improvements in advanced data analytics provide the capability to increase transparency in the sector and could result in additional government revenues. Finally, Cassara recommended four measures: (1) conduct a systematic and thorough study of the phenomenon; (2) expand the funding, manpower and scope of the Department of Homeland Security’s Trade Transparency Unit (TTU); (3) anchor any trade agreement binding the U.S. to the partner’s specific commitment to set up a TTU; and (4) provide specific TBML-training to federal, state and local law enforcement agencies throughout the nation.

Bock reported that, under DHS, the TTU lost its initial customs and financial focus, that it has been focused more on immigration from South America than on trade-based money laundering, and that it has been understaffed and undermanned. He therefore advocated that the TTU be given increased resources and placed under the authority of Treasury’s FinCEN.

Mesko underscored that in providing a seemingly legitimate cover for their activities, criminal and terrorist enterprises leave a paper trail that could and should be followed. He also suggested an overhaul of Office of Foreign Assets Control (OFAC) rules that presently only apply to entities on the Treasury’s Specially Designated National (SDN) list if their ownership share is above 50 percent. Passas advised that all facets of financial and trade monitoring functions be consolidated under FinCEN, and encouraged the use of academia and advanced analytics to drive intelligence and investigative efforts.

Questions and Discussion. Questions were raised by Task Force Members about the feasibility and desirability of provisions mandating the disclosure of beneficial ownership information prior to company formation and whether the issue of effective monitoring and enforcement would be better addressed with additional funding or changes in the institutional architecture and ultimate authority within the government. Additional questions were raised concerning harmonization of the format in which U.S. and foreign trade data is collected, why this is not being done systematically, and what it would cost to fund the centralizing of all U.S. trade data into a single

stream useful to and readable by several departments. Finally, questions were raised about how to counter cross-border money laundering without damaging legitimate commercial activities.

September 9, 2015: “Could America Do More? An examination of U.S. Efforts to Stop the Financing of Terror”

Overview. This hearing reviewed U.S. efforts to degrade and inhibit terrorism financing and money laundering, with the aim of ensuring that the government-wide effort is accomplishing its intended purposes and identifying areas in need of improvement. Additionally, the Task Force sought to evaluate the degree of cooperation between the various federal agencies involved in AML/CFT efforts as well as coordination with private sector entities.

The Task Force heard from four witnesses: (1) Scott Modell, Managing Director of The Rapidan Group; (2) Louise Shelley, Director of the Terrorism, Transnational Crime and Corruption Center at the George Mason University; (3) Daniel Larkin, Former FBI Unit Chief and Founder of the National Cyber Forensics & Training Alliance; and (4) Elizabeth Rosenberg, Director of the Energy, Economics and Security Program at the Center for a New American Security.

Witness Testimony. Modell advanced a series of recommendations: (1) a greater degree of international cooperation and a methodical campaign based on shared financial intelligence and law enforcement; (2) the need to overcome parochial bureaucratic cultures and obtain a greater interagency collaboration as a prerequisite for truly effective transnational operations; (3) more proactive efforts against key financial safe havens exploited by terrorism networks such as Qatar, Kuwait and Lebanon, possibly including unilateral covert action; (4) increased investigative focus by Treasury’s OFAC, including its own operational element; (5) widespread Information Operations (IOs) to target the public and the private sector and expose violations by governments, corporations and individuals; and (5) systematic and creative pay-outs from the Department of Justice to incentivize confidential sources, facilitators, and those who would testify in court. Modell suggested providing domestic law enforcement with the financial resources they need to mount a sustained and strategic campaign of criminal investigations against terrorist financing facilitators; making better use of the intelligence provided by FIUs, and decisively targeting Iran for its failure to comply with international AML/CFT best practices.

Shelley advised moving past the concept of terrorism financing, which she described as reactive and take a more proactive stance by focusing on terrorist marketing, business strategies and targets of opportunity. She stressed the need to deal with terrorists like business competitors, and to make broader use of public-private partnership to do that. Additionally, Shelley advocated the necessity of a holistic view of crime and terrorism responses, and of focusing specifically on drug trafficking, small-scale illicit trade, and corruption – which continue to provide the bulk of terrorism financing. Finally, she prescribed establishing advisory and working groups with private entities that are more likely to be targeted by terrorist organizations, such as manufacturers of consumer goods, pharmaceuticals and cigarettes, and devoting additional resources to monitoring cryptocurrencies such as Bitcoin. Larkin underlined the need to establish public-private task forces to protect privacy, promote transparency, and to offer the private sector a neutral space to share their intelligence with law enforcement. He described a public-private partnership of government, business and academia that allows a real-time exchange of

information to stop cyber attacks, and said he believed a similar model would be effective in stopping terror finance and related illicit finance.

Rosenberg echoed the testimonies by the previous witnesses and said that the current statutory treatment of information concerning shell companies and beneficial ownership presents an untenable risk for the U.S. financial system. She also stressed the need for more incisive Know Your Customer (KYC) and CDD provisions – which she advocates be extended to corporate formation agents, investment advisors, real estate agents, and the new digital currencies. Rosenberg advocated the allocation of additional resources to the U.S. Departments of State, Defense, and Treasury and to law enforcement to expand counterterrorism and CFT activities (with a specific focus on the threats emanating from Iran), and to coordinate with foreign counterparts to share information and intelligence.

Questions and Discussion. Task Force Members raised questions regarding how best to counter the largely domestic stream of revenue that the Islamic State generates within the territory it controls. The possibility of extending Section 314 of the USA PATRIOT Act and provisions of the Bank Secrecy Act beyond the financial services realm – to the real estate sector, for example – was also discussed. Other questions were raised about the repercussions of sanctions relief that would be made available to Iran under the provisions of the Joint Comprehensive Plan of Action (JCPOA) and on extending to other national police forces the integrated crime/terrorism model of both the New York and Los Angeles Police Departments. Methods to reduce the permeability of the financial system due to nested foreign correspondent banking relationships were also debated. Finally, questions were raised about the level of regulatory responsiveness toward alternative financing methods such as virtual currencies, mobile payments, and prepaid rechargeable credit cards, and new areas of concern such as cyberspace and the dark web.

July 22, 2015: “The Iran Nuclear Deal and its Impact on Terrorism Financing”

Overview. The Task Force reviewed the negotiation of the Joint Comprehensive Plan of Action (JCPOA) with Iran and the impact of the relief of sanctions to Iran on terrorism financing. The Task Force heard from five witnesses: (1) Ilan Berman, Vice President of the American Foreign Policy Council; (2) Mark Dubowitz, Executive Director of the Foundation for Defense of Democracies and Director of the Center on Sanctions and Illicit Finance; (3) Steven Perles, Attorney at Perles Law Firm; (4) Olli Heinonen, Senior Fellow at the Belfer Center for Science and International Affairs, Harvard University; and (5) Richard Nephew, Director of the Economic Statecraft, Sanctions and Energy Markets Program at Columbia University.

Witness Testimony. Berman stressed that the provisions of the deal signed in Vienna on July 14, 2015, will slow down for about a decade but not completely stall Iran’s ambition to develop and field a full-fledged nuclear program. At the same time, Berman contended the monitoring and verification requirements of the deal do not provide adequate guarantees against the resumption of clandestine activities or procurement from foreign suppliers. He also stressed the significant economic relief that Iran stands to benefit from if it complies with requirements to divulge the details of its military-related nuclear program. While Berman conceded that it is possible that Iran will use the funds made available to improve its economy and pay down its national debt, he stressed that the funds could as well be used to finance terrorist activities abroad via proxies such as Hezbollah, Hamas, and the Palestinian Islamic Jihad. Finally, Berman

continued that Iran has been funding and arming regime forces in Syria, Houthi rebels in Yemen, and Shi'ite militias in Iraq.

Dubowitz echoed the criticism of the JCPOA voiced by Berman and stressed the need for Congress to correct the current deal's shortcomings to more effectively block Iran's path to the nuclear bomb and maintain effective non-military tools of pressure and enforcement against illicit behavior. Dubowitz stressed that the Iran sanctions regime had also held as a goal protecting the integrity of the U.S. and international financial systems and said the JCPOA weakens the U.S.'s ability to continue doing so. Dubowitz also warned that under the provisions of the JCPOA, Iran will regain access to the Society for Worldwide Interbank Financial Telecommunication (SWIFT) system, which services the vast majority of transactions in the global financial system, and Iran's Islamic Revolutionary Guard Corps (IRGC) will receive significant additional resources. He produced data pointing to the fact that Iran will be spending the additional resources on its military, intelligence and domestic repressive security apparatus.

Perles applauded Congress for enacting measures such as the Flatow Amendment of 1996, which entitles U.S. citizens to seek monetary compensation from state sponsors of terrorism, and the Terrorism Risk Insurance Act (TRIA) of 2002, which included a provision to provide them with tools for enforcing judgments. Perles stressed that Iran is certain to allocate a portion of the funds that could be made available by the JCPOA to continue to train, finance, and supply proxies to conduct illicit foreign ventures. Additionally, Perles disagreed with the legal argument advanced by the Luxemburg-based and German-owned company Clearstream S.A. that, as long as the financial records of an entity with substantial presence in the U.S. are maintained exclusively outside the U.S., such entities are not subject to OFAC's AML/CFT regulations. In conclusion, Perles affirmed his belief that private litigation is a very effective way of identifying assets that sanctioned entities have hidden in the U.S., thus raising the cost of financing terrorism.

Heinonen stressed that under the JCPOA Iran is likely to maintain a sizeable nuclear program and is not bound by effective oversight. Further, the JCPOA does not fully address the possibility of Iran continuing its nuclear program with material in undeclared facilities, he said.

Nephew testified that the JCPOA provides a credible guarantee that Iran's declared nuclear program will not produce weapons-grade nuclear material for use in a bomb for at least ten years, and that the breakout period will be at least one year. Concerning sanctions and CFT measures, he said that the U.S. maintains pressure on Iran via: (1) the secondary sanctions provisions (that is – by virtue of U.S. and dollar centrality in global finance – penalties that are directed against third-party, foreign companies doing business with sanctioned entities) contained in the Comprehensive Iran Sanctions, Accountability and Divestment Act (CISADA); and (2) against individuals and entities trading conventional arms and ballistic missiles.

Questions and Discussion. Task Force Members raised questions concerning how to ensure that the funds made available to Iran under the JCPOA do not fund terrorism, debated a rehabilitation program establishing a set of benchmarks for the reintegration of sanctioned Iranian institutions and individuals into the SWIFT system, and concluded by discussing the possibility of interagency and private sector cooperation.

June 24, 2015: “Evaluating the Security of the U.S. Financial Sector”

Overview. The Task Force reviewed how the growth and complexity of the international financial system makes the system susceptible to cyber-attacks and has enabled illicit actors to move money and hide assets. The Task Force received testimony from three witnesses: (1) the Honorable Cyrus Vance, Jr., District Attorney, New York City; (2) Mr. Chip Poncy, Founding Partner, Financial Integrity Network, Senior Counsel, Center on Sanctions and Illicit Finance at the Foundation for Defense of Democracies; and (3) Mr. John W. Carlson, Chief of Staff, Financial Services Information Sharing and Analysis Center.

Witness Testimony. Vance testified concerning the perspective of state and local law enforcement on non-transparent beneficial ownership of corporate entities. He used examples of cases from New York to explain how companies often incorporate in the United States because the U.S. does not collect beneficial ownership information and that this can often make it difficult to identify and prosecute terrorist financiers. Vance stressed the importance of verification on incorporation documents and the importance of safeguarding the privacy of beneficial ownership information. Poncy explained the importance of working with international regional bodies like the G7, the G20, and the Financial Action Task Force (FATF) to improve financial integrity and transparency around the world. He described systemic challenges to financial transparency based on his work at Treasury for 11 years following the terrorist attacks of 9/11. He reiterated common forms of terrorist financing— kidnapping for ransom, collaboration with criminal organizations, fundraising and recruitment— as well as the necessity of adequate “Customer Due Diligence” rules and beneficial ownership requirements for legal entities. Poncy also reiterated the importance of intermediation and strengthening the information-sharing of Section 314 of the USA PATRIOT Act, as well as the importance of FinCEN’s work to issue and enforce AML/CFT preventative measures in accordance with the BSA. Carlson described the role of the Financial Services – Information Sharing and Analysis Center (FS-ISAC) working with individual financial institutions to disseminate and foster the sharing of relevant and actionable information to protect the financial services sector against cyber and physical threats. He explained how the current cyber threat environment continues to evolve and intensify and reiterated the importance of compliance with federal cybersecurity requirements and guidance as well as the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

Questions and Discussion. Task Force Members raised questions about Treasury’s beneficial ownership rulemaking, and provided suggestions on information sharing, including amendments to Section 314 of the USA PATRIOT Act. Additional questions were raised regarding compliance with FATF standards – specifically with Customer Due Diligence standards and beneficial ownership, as well as relating to reforms of the company formation process. Members asked about improving implementation of effective AML/CFT programs among financial institutions with correspondent banking relationships. There was discussion of improving cyber-crime prevention, including harmonizing requirements at the policy and examination levels across different U.S. based financial regulatory agencies, and the possible passage of cyber-threat information-sharing legislation. Some discussion was also given to sanctions relief under the JCPOA and whether Iranian banks would have access to SWFIT.

May 21, 2015: “A Dangerous Nexus: Terrorism: Crime, and Corruption”

Overview. The Task Force reviewed the current techniques employed by terrorist organizations and transnational crime syndicates, the effectiveness of current U.S. policies and whether or not there is room for improvement moving forward. The Task Force heard from four witnesses: (1) Celina Realuyo, Professor at the William J. Perry Center for Hemispheric Defense Studies of the National Defense University; (2) David Asher, Board of Advisors at the Center on Sanctions and Illicit Finance of the Foundation for Defense of Democracies and Fellow at the Center for a New American Security; (3) Douglas Farah, President of IBI Consultants LLC, Associate at the Center for Strategic and International Studies, and Fellow at the International Assessment and Strategy Center; and (4) Richard Barrett, Vice President at the Soufan Group.

Witness Testimony. Realuyo stressed that illicit actors need critical enablers to obtain their political and economic objectives and that some of today’s global terrorist and criminal networks are better armed and funded than the governments responsible for countering them. She proposed five measures: (1) increasing funding for the agencies involved in investigating and prosecuting criminals, terrorists and corrupted officials; (2) maintaining the Iraq-Afghan Threat Finance Cell and using the format to counter emerging crime-terrorism hybrid threats such as ISIL; (3) revitalizing the interagency Terrorist Financing Working Group to coordinate all activities of the above-mentioned agencies; (4) using a portion of the fines from sanctions evasion and money laundering to finance counter-threat programs; and (5) designing public-private partnerships to make the private sector the primary early warning source for financial crimes detection.

Asher briefly stated that despite successes such as those against the Lebanese Canadian Bank, U.S. interagency and international cooperation efforts have not been successful. He stressed that banks today still accept payments from Lebanese sources to buy used cars going to West Africa and pointed to the necessity of stricter enforcement and more generalized prosecution for the trend to be corrected. Asher proposed extending the provisions of the Racketeering Influences and Corrupt Organizations Act (RICO) to terrorist groups.

Barrett stressed that, given its asymmetric nature, terrorism does not require big funds to be effective and that those funds can be procured via legal, quasi-legal and illegal means, depending on what is easiest and most effective. He noted that terrorists tend to flock to less-governed areas of the globe where they can establish bases and control territory. In Barrett’s opinion, even though terrorists and criminals might be co-located in the same area, the former tend more to take a cut from the latter rather than joining ranks or competing with them. Barrett said that, in his opinion, criminals tend to see terrorists as bad for business because they are dangerous and bring too much attention to illicit activity. Similarly, he continued, terrorists are not ideologically aligned with criminals and their economic goals, and see them as not sufficiently committed to their ideological cause. In conclusion, Barrett testified that the hybridization of crime and terrorism might actually be more nuanced than what is generally described by others.

Farah described the convergence of transnational crime, terrorism and corruption in Latin America as a phenomenon possibly leading to the advent of “criminalized states” – that is, states actively utilizing transnational organized crime as an instrument of tradecraft, relying on oil

revenues and illicit activities to fund themselves and often overlapping with terrorist organizations. Farah contended that Venezuela was a good example of such convergence because, rather than operating on the margins of the state or seeking to co-opt small pieces of state machinery, criminal networks concentrate their efforts directly at the core of the state.

Farrah added that Venezuela is not alone in this trend, and that Ecuador, Bolivia, Nicaragua, El Salvador and the former government of Argentina have engaged in illicit activities. Farah contended that this so-called Bolivian alliance resulted in massive corruption, rising violence, and a weakening of the rule of law and institutions. The alliance proceeded to establish strategic partnerships based on the cocaine trade, with both state and non-state actors participating including Hezbollah, Iran, Russia, China, and the Revolutionary Armed Forces of Colombia, or FARC. In particular, Farah testified that Iran benefitted from unsanctioned Venezuelan, Ecuadoran and Bolivian financial institutions who laundered money into the global financial system.

Questions and Discussion. Task Force Members raised questions about the feasibility and efficacy of replicating the system of the Iraq-Afghanistan Threat Finance Cell in Latin America, the viability of extending USA PATRIOT Act Section 311 to nations complicit in illicit finance activities, and the extent of the effectiveness of U.S. interagency AML/CFT efforts. Additional questions were raised related to how to more strictly control the smuggling of oil from ISIL-controlled areas via Turkey, the possible repercussions in AML/CFT terms of lifting the current sanctions regime to Iran, the ease with which anonymous foreign individuals can buy luxury real estate in the U.S., and ensuring the inclusion of informal value transfer systems (IVTS), such as hawala, in a manner that precludes possible AML/CFT abuses, but guarantees the flow of remittances to developing countries such as Somalia. Finally, Task Force members raised questions about reforming the 1971 Bank Secrecy Act as well as whether regulations inhibited banks from exchanging and acting upon potential AML/CFT violations.

April 22, 2015: “A Survey of Global Terrorism and Terrorist Financing”

Overview. The Task Force reviewed the policies, rules, and regulations implemented to date by the federal government in AML/CFT to determine if their effectiveness as well as potential areas of improvement. The Task Force heard from three witnesses: (1) Juan Zarate, Advisor at the Center for Strategic and International Studies and chairman at the Center on Sanctions and Illicit Finance of the Foundation for Defense of Democracies; (2) Jonathan Schanzer, Vice President of the Foundation for Defense of Democracies; and (3) Seth G. Jones, Director of International Security and Defense Policy Center, RAND Corporation.

Witness Testimony. Zarate suggested that the successes of the past decade notwithstanding, the effort to thwart the financing of terrorism must continue to evolve according to the changing landscape of the financial system. Schanzer focused on two areas of concern: Iran and Turkey. He opined that if Iran sanctions relief is fully implemented, resources newly available to Iran would go to terrorist groups such as Hezbollah, the Palestinian Islamic Jihad, the Houthis, and Shi'ite militias in Iraq. He urged Congress to closely oversee the process to make sure that the eventual implementation of such relief does not result in increased financial support for terrorism worldwide. Schanzer also testified that the eastern border of Turkey with Syria is a major area of concern and described it as the primary gateway for jihadists of ISIL and the al-Nusra Front. He

quoted unspecified reports describing Turkish authorities as turning a blind eye or even abetting terrorism-related trafficking across its borders. Schanzer added that, according to his sources, terror financiers from Persian Gulf countries have been camping in hotels along the Turkish southeast frontier; Turkey has been assisting Jihadists in Libya since 2013 in violation of the U.N. arms embargo; Hamas has established a foothold in the country; and Turkey violated Iran sanctions in 2012-2013. In conclusion, Schanzer advocated exerting increased pressure on Turkish authorities to curb their widespread support for illicit actors.

Jones described the new, complex financing trends of groups such as al Qaeda, ISIL, and Hezbollah as potentially very dangerous. He highlighted that the United States continues to have proven capabilities to curb the strategic reach of the core of terrorist networks actively planning to strike the U.S. mainland and its assets worldwide, and to use AML/CFT tools targeting individuals and charitable organizations; however, he testified, the United States is not yet able to efficiently target local sources of revenue abroad. For instance, he argues that the United States cannot adequately target revenue that ISIL has marshalled from the territory it controls.

Questions and Discussion. Task Force Members raised questions about how exactly terrorism financing has changed in the past decade; best practices to monitor cross-border resource transfers; and how FinCEN can be better equipped to deal with these evolving issues. Other questions addressed regulations affecting hawalas and financial inclusion, and if such regulations need reforming; the likely consequences of the sanctions relief measures to Iran; the state of information sharing among agencies of the federal government with the private sector and what can be done to improve public-private coordination; the lack of transparency regarding beneficial ownership of real estate and corporations; the connection of Hezbollah to drug syndicates in Latin America and its overall impact on terrorism financing; and, finally, whether the United States could use the United Nations to efficiently target terrorism financing.

Witness Biographies

Juan C. Zarate, Senior Adviser, Center for Strategic and International Studies and Senior Counselor, Foundation for Defense of Democracies

Juan Zarate serves as Chairman and Senior Counselor of the Center on Sanctions and Illicit Finance (CSIF) at the Foundation for Defense of Democracies, and Chairman and Co-Founder of the Financial Integrity Network. Mr. Zarate served as the Deputy Assistant to the President and Deputy National Security Advisor for Combating Terrorism from 2005 to 2009, and was responsible for developing and implementing all aspects of the U.S. government's counterterrorism strategy, including countering violent extremism and weapons of mass destruction. In this role, he was also responsible for U.S. strategy to address transnational threats, including international organized crime, hostage policy, and critical energy-infrastructure protection.



Zarate was the first-ever Assistant Secretary of the Treasury for Terrorist Financing and Financial Crimes, where he led domestic and international efforts to counter terrorist financing, the strategic use of financial power against America's enemies, and the global hunt for Saddam Hussein's assets. He is also a former federal prosecutor who served on terrorism-prosecution teams prior to 9/11, including the investigation of the USS Cole attack in Yemen. Mr. Zarate sits on several boards, including those of the Director of the National Counterterrorism Center (NCTC) and HSBC's Financial Systems Vulnerabilities Committee, as well as the Coinbase Board of Advisors, the Vatican's Financial Information Authority (AIF), and the George Washington University's Center for Cyber and Homeland Security.

He is author of *Treasury's War: The Unleashing of a New Era of Financial Warfare* (2013), *Forging Democracy* (1994), and a variety of articles in *The New York Times*, *Washington Post*, *The Wall Street Journal*, *Los Angeles Times*, the *Washington Quarterly*, and other publications.

Mr. Zarate is a graduate of Harvard College and Harvard Law School and a former Rotary International Fellow at the University of Salamanca in Spain.

Jimmy Gurulé, law professor and terrorism financing expert, Notre Dame Law School

Jimmy Gurulé, an internationally known expert in the field of international criminal law, specifically, terrorism, terrorist financing, and anti-money laundering, joined the Notre Dame Law School faculty in 1989, and in 1996 became a full professor. He served as Associate Dean for Academic Affairs in 1998-1999. He earned his B.A. from the University of Utah in 1974, and his J.D. from the University of Utah College of Law in 1980. A member of the Utah State Bar since 1980, Professor Gurulé has worked in a variety of high-profile public law enforcement positions including as Under Secretary for Enforcement, U.S. Department of the Treasury (2001-2003), where he had oversight responsibilities for the U.S. Secret Service, U.S. Customs Service, Bureau of Alcohol, Tobacco, and Firearms (BATF), Financial Crimes Enforcement Network (FinCEN), Office of Foreign Assets Control (OFAC), and the Federal Law Enforcement Training Center (FLETC); Assistant Attorney General, Office of Justice Programs, U.S. Department of Justice (1990-1992); and Assistant U.S. Attorney, where he served as Deputy Chief of the Major Narcotics Section of the Los Angeles U.S. Attorney's Office (1985-1989). Among his many successes in law enforcement, Professor Gurulé was instrumental in developing and implementing the U.S. Treasury Department's global strategy to combat terrorist financing, and engineered the conviction of those responsible for torturing and brutally murdering a Drug Enforcement Administration special agent in Mexico.



Professor Gurulé concentrates his teaching and scholarship in the areas of criminal law, teaching courses in international criminal law, white-collar crime, terrorism law, and criminal and forensic evidence. He co-authored *International Criminal Law* (Carolina Academic Press) (4th ed. 2013); *Criminal and Forensic Evidence* (LexisNexis) (forthcoming 4th ed. 2013); *Complex Criminal Litigation: Prosecuting Drug Enterprises and Organized Crime* (forthcoming 3rd ed. 2013); *Principles of Counter-Terrorism Law* (Thompson-West 2011); and *Unfunding Terror: The Legal Response to the Financing of Global Terrorism* (Edward Elgar 2008).

An internationally recognized expert in the fields of terrorist financing and anti-money laundering, he has delivered lectures on these subjects before: the Italian Banker's Association, Milan, Italy; Military Center for Strategic Studies, Rome, Italy; Austrian Defense Academy, Vienna, Austria; Euroforum, Madrid, Spain; World Economic Forum, Davos, Switzerland; Indian Banker's Association, Calcutta, India; Institute for International Bankers, New York City, and Comandancia de la Policia Nacional, Asuncion, Paraguay.

Professor Gurulé is a member of the Seventh Circuit Court of Appeals Committee on Pattern Criminal Jury Instructions, American Law Institute, Faculty Advisory Board of Center for Civil and Human Rights at the Notre Dame Law School, elected as a Fellow of the National Academy of Public Administration (2009), and selected as a member of the United Nations expert working group on "Public Corruption and the Negative Impact of the Non-Repatriation of Funds of Illicit Origin on the Enjoyment of Human Rights." He has served as a consultant to the American Bar Association Rule of Law Initiative advising the governments of Belize and Bahrain on criminal

justice reform. Professor Gurulé has also served as an expert witness and consultant on several high profile anti-money laundering and counter-terrorism cases, including the 1983 terrorist bombing of the U.S. Marine barracks in Beirut, Lebanon, and 1998 terrorist bombings of the U.S. embassies in Kenya and Tanzania.

Professor Gurulé is a prominent member of the Hispanic legal community, having served as President of the Hispanic National Bar Association in 1989 and received the Graciela Olivarez Award in 2006. He also serves as the faculty advisor to the Hispanic Law Student Association. He was selected as one of the “100 Most Influential Hispanics” by Hispanic Business in 2002, 1990, 1989, and 1987. He has been quoted by the New York Times, Wall Street Journal, Washington Post, Chicago Tribune, Christian Science Monitor, Bloomberg, and interviewed by CNN, CNN International, CNBC, NPR, CBS, FOX, and the BBC.

Watch the Notre Dame [Fighting for Justice](#) video featuring Professor Gurulé. He was the subject of a faculty profile broadcasted nationwide during half-time of the September 27, 2008 Notre Dame v. Purdue football game. He was one of six faculty profiles aired during the course of the season.

Professor Gurulé was selected as a Fulbright Scholar and spent the Spring semester 2011 studying and teaching in Santiago, Chile.

John Cassara, former U.S. Intelligence Officer and Treasury Special Agent

John Cassara retired after a 26-year career in the federal government intelligence and law enforcement communities. He is considered an expert in anti-money laundering and terrorist financing, with particular expertise in the areas of money laundering in the Middle East and the growing threat of alternative remittance systems and forms of trade-based money laundering and value transfer. He invented the concept of international “Trade Transparency Units,” an innovative countermeasure to entrenched forms of trade-based money laundering and terrorist financing. A large part of his career was spent overseas. He is one of the very few to have been both a clandestine operations officer in the U.S. intelligence community and a Special Agent for the Department of Treasury.



His last position was as a Special Agent detailee to the Department of Treasury’s Office of Terrorism Finance and Financial Intelligence (TFI). His parent Treasury agency was the Financial Crimes Enforcement Network (FinCEN), the U.S. Financial Intelligence Unit (FIU). He worked at FinCEN from 1996-2002. From 2002-2004, Mr. Cassara was detailed to the U.S. Department of State’s Bureau of International Narcotics and Law Enforcement Affairs (INL) Anti-Money Laundering Section to help coordinate U.S. interagency international anti-terrorist finance training and technical assistance efforts.

Mr. Cassara has authored or co-authored several articles and books, including *Hide and Seek, Intelligence, Law Enforcement and the Stalled War on Terrorist Finance* (2006 Potomac Books) and *On the Trail of Terror Finance - What Intelligence and Law Enforcement Officers Need to Know* (2010 Red Cell IG). In 2013, his first novel was released - *Demons of Gadara*. His most recent book, *Trade-Based Money Laundering: The Next Frontier in International Money Laundering* (Wiley), was released in November 2015.

Celina B. Realuyo, Professor of Practice, William J. Perry Center for Hemispheric Defense Studies, National Defense University

Celina Realuyo is Professor of Practice at the William J. Perry Center for Hemispheric Defense Studies at the National Defense University where she focuses on U.S. national security, illicit networks, transnational organized crime, counterterrorism and threat finance issues in the Americas. As a former U.S. diplomat, international banker with Goldman Sachs, U.S. foreign policy advisor under the Clinton and Bush Administrations, State Department Director of Counterterrorism Finance Programs, and professor of international security affairs at the National Defense, Georgetown, George Washington, and Joint Special Operations Universities, Professor Realuyo has over two decades of international experience in the public, private, and academic sectors. She has developed and delivered graduate-level courses on “Combating Transnational Organized Crime and Illicit Networks in the Americas,” “Globalization and National Security,” “The Nexus between Terrorism and Crime,” “Illicit Economies, Narcotics and National Security,” and “Strategies and Policies to Combat Terrorism.” She speaks regularly in English and Spanish on “Managing U.S. National Security in the New Global Security Environment,” “The U.S. National Security Decision Making Process,” “Following the Money to Combat Terrorism, Crime, and Corruption,” and “Combating Illicit Networks in an Age of Globalization.” Professor Realuyo is cited and appears regularly in the media, including CNN en Español, Voice of America, Univision Radio, Radio Bilingue, Reuters, Foreign Policy, and el Universal.



Throughout her career, Professor Realuyo has been a trusted strategic advisor to the most senior leaders in U.S. government, military, business, and academic circles on international issues. As a professor at the National Defense University since 2007, she has educated top U.S. and foreign military and civilian leaders on counterterrorism, illicit networks, and national security affairs. From 2002-2006, Professor Realuyo served as the State Department Director of Counterterrorism Finance Programs in the U.S. Secretary of State’s Office of the Coordinator for Counterterrorism in Washington, D.C. In the wake of the September 11, 2001, attacks, she returned to government service to apply her international banking skills to the financial front of the war on terror. She managed a multimillion-dollar foreign assistance program aimed at safeguarding financial systems against terrorist financing and co-chaired the U.S. interagency Terrorist Financing Working Group. Under her stewardship, the U.S. delivered training and technical assistance to over 20 countries across four continents (including Afghanistan, Iraq, Pakistan, and Saudi Arabia), training over 1800 foreign counterparts, and her team received an “A-” from the 9/11 Commission for their efforts to combat terrorist financing in 2005. Prior to returning to Washington, Professor Realuyo was a private banker in London with Goldman Sachs International providing strategic wealth advisory services to the most prominent families

in the world. Previously, she had a distinguished career as a U.S. Foreign Service Officer serving as a political officer abroad in Madrid, Panama, and the U.S. Mission to NATO, Brussels. In Washington, Professor Realuyo served at the highest levels of government, in the State Department Operations Center, National Security Council's White House Situation Room, and as Special Assistant to the Secretary of State.

Professor Realuyo holds an MBA from Harvard Business School, MA from Johns Hopkins University School of Advanced International Studies (SAIS), BS from Georgetown University School of Foreign Service, and Certificate from l'Institut d'Etudes Politiques (Sciences Po) in Paris, France. She is a life member of the Council on Foreign Relations, International Institute for Strategic Studies, Women in International Security, Global Summit of Women, and the Professional Risk Managers' International Association. She was an Aspen Institute Young Leaders Socrates Scholar in 2004, French-American Foundation Young Leader in 2006, and Atlantik-Brücke German-American Young Leader in 2007. Professor Realuyo has traveled to over 70 countries, speaks English, French, and Spanish fluently, and is conversant in Italian, German, Filipino, and Arabic.

Douglas Farah, President, IBI Consultants LLC; Senior Non-Resident Associate, Americas Program, Center for Strategic and International Studies and Senior Fellow, International Assessment and Strategy Center

Douglas Farah is president of IBI Consultants, LLC, a Senior Associate of the Americas Program at CSIS, and a Senior Fellow at the International Assessment and Strategy Center. He is an expert on transnational criminal organizations, insurgencies, ungoverned spaces, illicit money flows, and resource exploitation in Latin America. In recent years, he has written extensively about Iran's growing influence in Latin America, the Bolivarian revolution, and transnational criminal and terrorist networks in the region.



From 1985 to 2005, he worked as a journalist, primarily as a foreign correspondent and investigative reporter for the *Washington Post*. In addition to several postings in Latin America, he served as West Africa bureau chief, international investigative correspondent, and a member of the investigative unit. Since leaving the *Washington Post* in 2004, Mr. Farah has worked as a consultant to the U.S. government on national intelligence reform, non-state armed actors, critical infrastructure protection, criminal-terrorist pipelines, bulk cash smuggling to Mexico, and other topics. He has also worked as a consultant with the World Bank, the Rand Corporation, the Woodrow Wilson International Center for Scholars, and other organizations.

He is a frequent lecturer to the U.S. military institutions on the FARC and other Latin American insurgencies, and he has testified before Congress on numerous occasions. Mr. Farah is the author of two books: *Blood from Stones: The Secret Financial Network of Terror* (Broadway, 2004) and *Merchant of Death: Money, Guns, Planes and the Man Who Makes War Possible* (Wiley, 2007). He appears regularly in the national and international media and has been published in more than a dozen journals and magazines.